

**Council Meeting: April 27, 2010**

**SUBJECT: Hamilton Water Plant, Capital Improvement Project 825411, Budget Modification No. 29.**

**REPORT IN BRIEF**

The pump and motor for well #2 at the Hamilton Water Plant has been found to be deficient during a recent inspection conducted during the construction of the water plant upgrades. Council is being asked to approve Budget Modification No. 29 in the amount of \$60,000 for replacement of the pump and motor.

**BACKGROUND**

On September, 1, 2009, the City Council awarded a construction contract to Anderson Pacific Construction for the Hamilton Water Plant Mechanical and Electrical Reconstruction in the amount of \$688,300, approved a 10% construction contingency (RTC 09-231), and approved Budget Modification No. 5 to fund the project.

**EXISTING POLICY**

**Policy 3.1.** Water Resources — Goals, Policies and Action Strategies

**Policy A.3:** Provide enough redundancy in the water supply system so that minimum potable water demand and fire suppression requirements can be met under both normal and emergency circumstances.

**A.3b:** Utilize multiple water sources/providers to ensure water availability at all times.

**DISCUSSION**

The bid package for this project included a new pump and motor for only one of two wells. Staff believed, at the time, that the second pump and motor was still serviceable. However, upon more complete testing and inspection during construction, the well #2 motor was found to be operating outside of the normal range, and the pump was found to be beyond the efficiency range for this application. The design consultant has recommended replacement of the existing pump and motor with a new set that is more efficient and appropriate for the current application, rather than re-building the existing pump and motor.

Staff believes it would be most cost-effective to add the pump and motor replacement to the existing construction contract, rather than create a new, separate project to install a new pump and motor after the current project is

completed. The contractor is already replacing controls that relate to this pump, and work performed by the same contractor would provide one comprehensive warranty on the work. Staff has reviewed pricing from the contractor for this item, finding that it is in line with similar bid items within the contract. An increase in the construction contingency of \$60,000 to cover the costs of a contract change order for the replacement of the pump and motor at well #2 is necessary to proceed. Since the project is a rehabilitation of existing facilities, additional contingency work may be required and the existing contingency amount dedicated to the project should be preserved until the construction work is completed. The balance in the existing contingency is approximately \$52,000. The replacement of this pump and motor is new work added to the construction contract.

### **FISCAL IMPACT**

Staff recommends approval of Budget Modification No. 29 to appropriate \$60,000 from the Water Supply and Distribution Fund Rate Stabilization Reserve to project 825411 to fund the needed work.

#### **Budget Modification No. 29**

#### **Fiscal Year 2009/2010**

	Current	Increase (Decrease)	Revised
Water Supply and Distribution Fund			
Expenditures:			
Project 825411 – Hamilton	\$757,130	\$60,000	\$817,130
Plant Emergency Generator and Mechanical Reconstruction			
Reserves:			
Rate Stabilization Reserve	\$5,150,294	(\$60,000)	\$5,090,294

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

### **ALTERNATIVES**

1. Approve Budget Modification No. 29 in the amount of \$60,000, from the Water fund to Project 825411, and to increase the construction contingency by \$60,000 for the contract with Anderson Pacific Engineering Construction.
2. Create a new capital project for the replacement of the existing pump and motor for well #2 at the Hamilton Water Plant, with work to be designed and bid upon completion of the current Hamilton Water Plant Project.

**RECOMMENDATION**

Staff recommends Alternative No. 1: Approve Budget Modification No. 29 in the amount of \$60,000 from the Water fund to Project 825411, and to increase the construction contingency by \$60,000 for the contract with Anderson Pacific Engineering Construction.

Replacement of the pump and motor for well #2 is necessary for the appropriate use of groundwater for normal and emergency operations of the City's water system.

Reviewed by:

Marvin Rose, Director, Public Works

Prepared by: Mark Rogge, Assistant Director of Public Works

Reviewed by:

Mary Bradley, Director of Finance

Approved by:

Gary M. Luebbbers  
City Manager